"EDUCATIONAL FINANCING PATTERN IN PROFESSIONAL HIGHER EDUCATION IN MARATHWADA REGION. AN ANALYTICAL STUDY"

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INTRODUCTION

Educational financing pattern in professional higher education is very important as Higher education is the factor that decide the future of a student and his/her ways of earning his/her livelihood. There are two systems imparting professional higher education India. One is Public system viz run by Government and other is Private. The purpose of Govt is to provide professional Higher education to all its Citizen at an affordable rate but since the resource of govt are limited and Govt have spend on other welfare works of its citizen and due to second largest populous country in the world the number of student apprising for professional higher education is very high and govt can not provide education to all here grow the private sector which invest in establishment of the college with all required amenities but the purpose of private sectors is always to earn maximum profit hence fee are very higher as compared to Govt School. Since all students are not from well to do family and also unable to secure admission in ovt run colleges but in order to be able to earn their a livelihood by getting a job or establishing their own enterprise they need to be educated sufficiently and this need turn them to private college and to fund the high fee of these private colleges they try to arrange fund from various source like Bank loan, Scholarship, borrowing from friend and relative, disposing off properties etc.

The Govt of India as per budget 2022-23 has proposed to spend Rs.104278 crore being around 3.20 % of country's GDP . Of this

Rs.40810 crore will be spent on Higher education. But is allocation is far less than the target set by New Education Policy 2020 that is 6 % of GDP of country.

IBA (Indian Bank Association) Model of Education Loan Scheme

Features of IBA Model Education Loan Scheme for Pursuing Higher Studies in India and Abroad

Why this Loan?

- The loan is meant to help students fulfill their dreams of pursuing higher education in India or abroad
- The loan is disbursed as a series of payments over the required number of years and not as a lump sum
- Can be taken for all institution fees as well as related expenses including for purchase of books, laptops, etc. or payment of hostel fees, lab fees, examination fees, and so on

Loan Amount

- The maximum loan amount depends on the needs of the student on a case-to-case basis subject to ceiling
- The ceilings are defined under the Indian Bankers Association (IBA) Model Education Loan Scheme, which puts the maximum limit at Rs. 10 lakh for studying in India and Rs. 20 lakh for studying abroad

Concession in Interest Rate

- For girl students, the interest rate on the loan is lower than the standard rate by 0.5%
- The interest can be paid voluntarily during moratorium though the principal doesn't have to be paid. You can avail a concession of 0.5% for repayment of interest during the moratorium period

- The moratorium period for this loan scheme is course period plus 12 months after the completion of the course

Repayment

- The loan amount for each year is repayable in equated monthly instalments up to a period of 15 years after the end of the moratorium period
- This means that students pay only interest during the moratorium period and then EMIs every month until the complete repayment of the loan

Security

- **For loan up to Rs. 7.5 lakh:** No collateral security is required. The loan will be covered under the Credit Guarantee Fund Scheme for Education Loans (CGFSEL) subject to the conditions
- **For loan above Rs. 7.5 lakh:** Tangible collateral security that covers at least the quantum of the loan is required

CENTRAL SECTOR INTEREST SUBSIDY SCHEME, 2009

One of the major objectives of the Government is to ensure that no student is denied the opportunity to pursue higher education because he or she is poor. To achieve this objective, Ministry of Human Resource Development (MHRD) launched a Scheme titled "Central Sector Interest Subsidy Scheme" (CSIS) in 2009. The scheme provides full interest subsidy during the moratorium period on modern education loans without any collateral security and third-party guarantee, for pursuing technical/professional courses in India. Students whose annual gross parental/ family income is up to Rs.4.5 lakhs are eligible under the scheme.

EBC (Economically Backward Classes) scholarship in Maharashtra

Under EBC scholarship Students whose parents' income is below Rs 8 lakh, pursing non-professional courses in any institute will receive a full reimbursement of fees. Students in the same income bracket pursuing professional courses in aided institutes will receive a 50% reimbursement, while those pursuing professional courses in unaided institutes will receive a full reimbursement if the family income is below Rs2.5 lakh, and a partial reimbursement if the family income is between Rs2.5-8 lakh.

To get this scholarship Applicants must belong to an economically backward class. This means their community; caste should not come in SC/ ST/ OBC categories.

NEED OF RESEARCH.

Since professional higher education is very important in order to get a job or establishing one's own enterprise and due to limitation of Govt and fast growing role of private sector in imparting professional education it is very much needed to study the problem , if any, faced by students to fund their professional higher education. It will also will be investigated the effect of conditions of education loan, scholarship etc. Also to check whether Terms & Conditions of existing education loan scheme are reasonable or not?.

IMPORTANCE OF RESEARCH

The Marathawada region is a drought prone region. Almost Every year crop of farmers get damaged from mild to harsh level due to scanty rainfall, heavy rainfall, insect etc so the income sources of farmers in this region are not stable. Hence it is importance to know how student from such families fund their professional higher education.

STATEMENT OF PROBLEM

"EDUCATIONAL FINANCING PATTERN IN PROFESSIONAL HIGHER EDUCATION IN MARATHWADA REGION. AN ANALYTICAL STUDY"

OPERATIONAL DEFINTION:

1. Professional Higher Education: Like MBA, MCA, B-Pharmacy, MBBS, BDS, Engineering
2. EBC –Economical Weaker classes: Population whose income is less then a limit fixed by an authority. For example in Maharashtra whose income per annum is less then Rs.8.00 lacs is economically weak.
3. IBA –Indian Bank Association: A association of various bank in India
4. NPA-Non Performing Assets: An loan which is not repaid on due date
5. GDP-Gross Domestic Product: Gross domestic product (GDP) is **the standard measure of the value added created through the production of goods and services in a country during a certain period**.

OBJECTIVES:

The objective of this study is to

A) To discuss the financing Pattern of Professional Higher education in Private college In Marathawada.
B) To study the various source of financing the Professional Higher Education in Private College in Marathawad.

C) To Study the issues and challenges in financing professional higher education in private college in Marathwadda.
D) To study the role of Banking system in financing professional hiher education in Private college in Marathwada.
E) Role of Govt of Maharashtra in financing Higher education in Marathawada.
F) To know the level of awareness of students about educational loan process and procedure.
G) To know the various for rejection of loan proposals of student.
H) To study the NPA related issues in education loan in Marathwada.
I) To suggest some measures with regard to easy availability o finance/ loan to professional higher education in the region.

ASSUMPTIONS

My assumption is

1.In view of various above mentioned initiatives by Govt, student not faces difficulties in arranging sufficient and timely money to fund their professional courses.

2.The Terms and condition of existing education loan scheme are relevant and need not to be revised .

8.HYPOTHESIS:

1.Is there demand /need for education loan in the Region ?

2.Does all needy students get education fiancé/ loan for their education?

3.Does all needy students get sufficient financial assistance /loan for their higher education?

4.Are all students aware of system and procedure of availing financial assistance with special reference to education loan

5. Whether some students have to change their profession education stream due to financial crunch.

6.Are students aware of the consequences of non repaying their education loan.

7. The Terms and condition of existing education loan scheme are relevant and need not to be revised?

8.Are students aware of CIBIL concept in analyzing their credit history?

NULL HYPOTHESIS

1. There no significant hardships faced by students to arrange money to fund their professional higher education in the region.
2. Students/Parent are not very ignorant about the educated the system and procedures of availing bank loan.
3. There is no significant difference in the loan scheme of Public sector bank and Private sector.

SCOPE :

After this research I will be able to know the problems of professional course students and will suggest some measures to remove these difficulties, some changes in the existing term & conditions of education loans scholarship etc. During interaction with student I will make them aware of system procedure of availing a education loan from a commercial bank I their region. Student will also come to know the IBA Model of education loan scheme. Students will be also advised about consequences of default in loan repayment like Low CIBIL score rendering them ineligible for Govt Job or further loan from a Bank.

LIMITATIONS

1.The study will be confined to Marathawad Region only. Hence conclusion may not be applicable to other part of Maharashtra or India.

2.Banker may hesitate in furnishing correct information due to Increase in education loan repayment default in recent as .

3.Number of students from rich family and from poor family can not be equal . it is possible that maximum number of student in a private college are from Rich family and they do not face any hurdle in funding their education.

DELIMITAION IN RESEARCH

We are able to visit every private institute, without any limit. Marathwada region also comes in backward regions as a financial issue.

RESEARCH METHODOLOGY:

Following research method will be employed while conducting above study

1.Qualitative Method as the data is to be collected from students and bankers.Hence Interviews, surveys etc will used to collect data.

13.POPULATION ,SAMPLING AND STATISTICAL PARAMETER

Population:

8 Colleges and 8 banks in 4 district - Nanded, Beed, Aurangabad and Latur of marathawada will my Population

Sampling :

50 students from each discipline like-MBA, MCA, MBBS, Engineering of a college in studied district.

14.TOOL OF DATA COLLECTION

In order to reach a conclusion a lot of data (response of students and Banker is to be collected. Following tool will used to collect data

1. Interview
2. Questionnaire

3. Schedule
4. Group interview
5. Survey

STATISTICAL PARAMETER

The collected data need to be analysed in different ways to reach a conclusion. Mean, Median and Average etc statistical tools will used for analyzing the collected data.

1.%(Percentage)

2. Charts-Pie Chart, Column Charts

PROCEDURE OF RESEARCH

Finalisation of Topic

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Preparation of Questionnaire for students and Bankers

⇩

Collection of Data/response from students and Bankers

⇩

Analysis of Data collected

⇩

Drawing of conclusion

15 RESEARCH TIME FRAME

Sr	Particular of work	Time Period
1	Preparation of Research Design	March 2022

2	Study of related information	May 2022
3	Preparation of Questionnaire	September 2022
4	Collection of Questionnaire from students are bankers	January 2023
5	Data Analysis and drawing a conclusion	May 2023
6	Review of work done and rectification	July 2023
7	Typing of Research works	October 2023
8	Presentation of Research report	January 2024

16.EXPECTED BUDGET/EXPENDITURE

Sr	Particular	Amount in Rs.
1	Information Collection	9000
2	Tour Expenditure	30000
3	Direct Data Collection	25000
4	Data Analysis	8000
4	02 Mandatory Paper Publication during research work	15000
5	Report writing, Typing and Biding	20000
	Total	107000

17.KEY WORDS

6. Professional Higher Education: Like MBA, MCA, B-Pharmacy, MBBS, BDS, Engineering
7. EBC –Economical Weaker classes: Population whose income is less then a limit fixed by an authority. For example in Maharashtra whose income per annum is less then Rs.8.00 lacs is economically weak.
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